



**OBSERVATIONS FROM THE DESK OF  
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**Need a referral? Please give me a call.**



**IRA money to fund an investment home**

Yes, it 's possible, but not necessarily simple. First, check with your tax attorney or accountant. This method of investing involves using a self-directed IRA. You can purchase an investment home now and retire to it later according to Section 408 of the Internal Revenue Code. Establish an LLC and do understand the restrictions. The property cannot be the investor's residence or used as a vacation home by anyone related to the owner. Profits from the home cannot be taken out of the IRA without penalty prior to retirement. However, the house can be sold.

If you feel comfortable investing in real estate, check out the possibilities.



**Food for thought — Avoid Refinancing close to retirement**

Gary Singer, a Florida attorney and expert in real estate law, contended in an article in the May 2013 Fort Lauderdale Sun Sentinel that assuming your mortgage has only a few years remaining as you approach retirement, it's wise to avoid refinancing. His rationale: as attractive as a lower payment may be, once your mortgage is paid off you will have a much easier retirement with no house payments. If, however, you're feeling pinched now and need a lower payment, he advises as small a loan as possible for the least amount of years.



**Every summer has a story.**

*Unknown*

### Real estate reality TV

The draw is a glimpse into the home buying process. Broker Herman Chan, who has appeared as a guest of two HGTV reality shows, notes much of it is staged. If you've ever watched, you know it's mainly the fun parts that you see. And although there's no perfect house, the home buyers make a decision expeditiously after seeing 3 homes.

There is a benefit to these shows to sellers who may notice that they should de-clutter, paint and address the curb appeal of their home for sale.

For buyers, they learn an important first step is to list their needs and wants, that is after they speak to a mortgage professional as to what they can realistically and comfortably afford.

### Speaking of mortgages . . .

A recent CNN article says whereas during the housing downturn home sales were often derailed because appraisals fell well below selling prices, appraisers are now valuing homes at or above selling prices. Lawrence Yun, chief economist for NAR, notes that the rise in residential prices and diminishing inventory are factors in closing the gap between contract prices and appraisals. Good news!

### Credit scores

Hopeful buyers with credit scores below 620 are likely to be denied a mortgage as a result of lender's more stringent underwriting standards.

Elizabeth Duke, a member of the Board of Governors for the Federal Reserve System noted in 2007 the median credit score was 730 compared to 770 in 2013.

**We take the stars from heaven, the red from our mother country, separating it by white stripes, thus showing that we have separated from her, and the white stripes shall go down to posterity, representing our liberty.**

Flag Day June 14

~George Washington, attributed



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